

31A-32a-103 Establishing medical care savings accounts.

- (1) For a taxable year beginning on or after January 1, 1995:
 - (a) an employer, except as otherwise provided by contract or a collective bargaining agreement, may offer a medical care savings account program to the employer's employees; or
 - (b) a resident individual may establish a medical care savings account program for the individual or for the individual's dependents.
- (2)
 - (a) A contribution into an account made by an employer on behalf of an employee, or made by an individual account holder may not exceed the greater of:
 - (i) \$2,000 in any taxable year; or
 - (ii) an amount of money equal to the sum of all eligible medical expenses paid by the employee or account holder for that taxable year on behalf of the employee, account holder, or the employee's or account holder's spouse or dependents.
 - (b) For purposes of Subsection (2)(a)(ii), eligible medical expenses are limited to expenses in the taxable year that an insurance carrier has applied to the employee's or account holder's deductible.
- (3) An employer that offers a medical care savings account program shall, before making any contributions:
 - (a) inform all employees in writing of the fact that these contributions may not be deductible under the federal tax laws; and
 - (b) obtain from the employee a written election to participate in the medical care savings account program.
- (4) Except as provided in Sections 31A-32a-105 and 59-10-114, principal contributed to and interest earned on a medical care savings account and money reimbursed to an employee or account holder for eligible medical expenses are exempt from taxation.
- (5)
 - (a) An employer may select a single account administrator for all of the employer's employee's medical care savings accounts.
 - (b) If a single account administrator is not selected, an employer may contribute directly to the account holder's individual medical care savings account.

Amended by Chapter 389, 2008 General Session